

Mobile World Congress, Barcelona, Feb 2013

Entering the doors of the GSMA Mobile World Congress (MWC2013) - still in Barcelona but at a larger congress centre - was a bit like walking into your local supermarket and finding that all the shelves have been rearranged. What used to take a few minutes to find now takes hours to locate, and some things aren't there at all. A lot of "proof of ID required" just to look at the goods. A lot more "Made in China". A new product line called WiFi. But no Apples (again), and no BlackBerrys (unless you knew who to ask).

All very unfamiliar. Indeed it only became properly clear that this was the annual MWC when a big screen reassuringly started to show four middle-aged white men in smart suits talking earnestly about how it was vital that the European mobile operators should be regulated less. It was good to see some Congress traditions being maintained.

As with MWC2012, it is clear that the show is now about the mobile "ecosystem" - the whole range of competences needed to bring content and communications reliably to a device that is being powered by a battery. The role of the mobile operator in that ecosystem remains unclear, though it is evident that the role is not that of the Lion King.



Main themes

- The show was fairly grounded in reality. Little hype or hysteria - apart from a heavily-promoted but poor NFC experience across the venue. For example, no talk of the wonders of 5G. Instead lots of ways to deliver 4G/LTE efficiently (and even to let people have voice conversations on LTE networks)
- Not quite hype, but certainly buzzwords struggling for clarity, included “big data” and “the internet of things”. These are real enough subjects, so clarity and relevance will emerge
- The mobile ecosystem is very broad: creation of digital content, management of the content, distribution of the content, payment for the content; voice calls are increasingly just another piece of content
- The “mobile” part is primarily about managing the interface across the ever-decreasing distance over the air between a device and a controlling box, which could be a 3G/LTE cell, a WiFi router or a combination of the two
- As cells are getting smaller, so the difference between a fixed network and a mobile network is reducing. Both are starting to look like a big fixed pipe attached to a box that talks wirelessly to devices. Microwave backhaul provides an interesting counterpoint though
- MWC no longer is the place for big launches of devices. Generally competent displays, especially of lower-end smartphones, by the likes of ZTE, Nokia, Huawei, plus some impressive themed “hubs” by Samsung
- It's hard to compare against someone who is not there, but a general feeling that the Apple devices and ecosystem are starting to look tired, though this could be the burden of carrying round \$137 billion in cash all day every day
- A more “mature”, somewhat conservative, atmosphere, perhaps due to the lack of scantily-clad dancing girls explaining the intricacies of Operational Support Systems, or maybe the lack of “adult content” in the App Planet

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Opportunities for revenue growth in the ecosystem

- No major new themes, more of a shake-out of claims at previous shows
- Firefox for Android was officially launched. Its rallying cry is: “bring the next billion smartphone users online”. This, combined with specific devices such as the Nokia Asha, and the backing of Firefox from major operators, shows that one source of mobile growth is likely to be the simple addition of more users
- “Big data”, or more pertinently “making sense of whatever data you have”, is still under development. One of the most convincing use cases was from Redknee – the BSS/billing provider, who showed how their data analysis allows the identification of “mavens” – those people seen as experts at the hub of personal networks, the classic early adopters – and therefore more targeted marketing
- More paid apps, with Android in the ascendancy. Specific operator initiatives to be part of the payment chain, such as WEVE in the UK, weren’t visible
- Mobile World Capital, Barcelona. More of a vision than a plan, but Barcelona is seeking to use mobility at the core of its operations, eg health, wallet, smart city
- Security, be it encryption of information, or secure wiping of devices, is a growing topic. In theory, more mobility + more personal data + more storage capability + nasty phishers = growing demand
- Mobile enterprise is back in fashion. IBM had not one, but two stands, and a strong engagement on managing enterprise devices and applications. Airwatch, a mobile device management company, had a huge stand. Even Samsung had at least three of their “hubs” devoted to different aspects of their “Samsung for Enterprise” program

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Opportunities for an improved customer experience

- Tablets and smartphones can be thought of as a range of screen sizes, with further segmentation based on the build cost of the device, rather than major differences across vendors, now that the patent wars have settled down
- Differentiation comes more from the combination of device, application range and personal preference on interface (mainly touch, softpen, keyboard), and this is likely to lead to improved experience for smaller subsegments of the market
- Keeping a data session alive, reliable and as fast as possible. Companies like Sharedband, who “bond” 3G and WiFi, so that a device can simultaneously use both technologies, or IP Access, who have uninterrupted handover between 3G/LTE and WiFi. Similarly, keeping a device alive for as long as possible. Battery technologies, and also battery management capability, such as Nujira, or battery regenerators, such as Energic Plus. These kinds of “under the hood” improvements of experience felt like they were addressing a real need, related to the finiteness of battery life and spectrum bandwidth, rather than a hypothetical use case
- Rich voice calls. For many years the IMS Powerpoint deck has been a feature at MWC. This year for the first time the Voice over LTE (VoLTE) had a feeling of reality, partly because alternatives have dropped away. Expect drop back of voice calls from LTE to 3G for some time to come though.

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Opportunities to reduce operators' costs

- Continued outsourcing of R&D by vendors to start-ups and small companies, then acquiring the successful ones, eg Cisco acquiring Intucell for self-optimising network management
- Very well thought-out presence by Qualcomm of the "1000x Data Challenge", planning ahead for massive increases in mobile data usage
- WiFi was, for the first time, welcomed with open arms at the event, and many companies showed WiFi-based solutions, including "carrier-grade WiFi". It is likely that the WiFi offering will segment, with a cheap & cheerful "best efforts" low-cost multi-hotspot offering complemented by a managed, enterprise-focussed higher quality product.
- Microwave backhaul. This was worth a category of its own in the event brochure, with over 75 companies claiming relevance. This has the advantage of addressing remote coverage as well as dense urban small-cell coverage
- Operators who have stands at the event probably shouldn't. They are the customers at MWC, not the suppliers. They could save the marketing money
- Many would question the wisdom and costs of an operator rebranding overnight in the middle of a trade show. Goodbye QTel. Hello Ooredoo. It's a good thing Ooredoo doesn't have a strategic relationship with an Ohio company. Nobody would have a chance of spelling Ooredoo Cincinnati correctly

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Opportunities for employment

- Very similar to 2012
- Emerging markets: at operators, platform developers (especially for apps specific to low ARPU, high growth markets), consultancies, regulators
- Mature markets: cost-cutting accountants, network operations and planners (either radio or backhaul), new media marketers
- Gaming -based developers, not just for games but also for improved user interaction with any kind of app
- Having an Eastern European education and address and pay expectation

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Other observations

- The show is highly cosmopolitan, with an astounding number of languages audible along the walkways
- The new venue is OK, and can certainly cope with the 72,000 visitors, but is a bit soulless and doesn't allow you to escape during the day to real Barcelona and its amazing architecture and atmosphere
- The “natural” behaviour, even of mobile industry professionals, is to seek out the free WiFi, which was more prevalent than in previous years. You can't help thinking that mobile operators are missing a trick by not being more creative about data roaming
- More countries than ever with stands for their nation's small companies and talent. For the first time there was a China Pavilion, showing further increased confidence coming out of that country
- The UK companies were spread across a number of halls. Scotland led the way for UK innovation by having three different malt whiskies to taste.

Symbolic summary

The demand for connectivity means that there is little doubt that mobile operators can grow massively the volumes on their networks. They can probably make sure that unit costs fall faster than unit prices, so profit growth from core business should result. However, in the wider ecosystem that was the underpinning theme for MWC2013, Motörhead's eye-catching headphone stand served as a good reminder that it is probably someone else who holds the trump card - the ace of spades, the ace of spades.

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About the author

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